

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 152363

66

ORIGIN COME-00

INFO OCT-01 EA-11 ADP-00 EB-11 RSC-01 /024 R

66650

DRAFTED BY COM BIC 287DCLINVILLE

APPROVED BY EB OCA REP LHPOMEROY

COM BIC 287 DOGORDON

STATE EA IMS JBESHORE

----- 123872

R 022120Z AUG 73

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

LIMITED OFFICIAL USE STATE 152363

EO 11652 ADS, DECLAS 12/31/73

TAGS BEXP BFOL ID

SUBJ IPC DIFFICULTIES RE FORESTRY INVESTMENT OPPORTUNITY

REF JAKARTA'S T-3861, T-3162

STATE T-56136, WASH USDOC, 4227

1. DR JAMES YOHO, DIRECTOR NATURAL RESOURCES, INTERNATIONAL PAPER (IPC) CONTACTED COMMERCE RE STATUS SUBJECT IFRECO CONCESSION. IPC UNABLE PROCEED WITH IMPLEMENTATION OF PROJECT; YOHO BELIEVES CHANCE FOR IPC PARTICIPATION IN DEVELOPMENT OF CONCESSION STEADILY ERODING.

2. WHEN YOHO VISITED JAKARTA IN MAY CLAIMS HE WAS VERBALLY ASSURED BY SUDJARWO AND OTHER FORESTRY OFFICIALS IPC WOULD BE GRANTED EXCLUSIVE RIGHTS TO EXAMINE SUBJECT CONCESSION AND NEGOTIATE TERMS WITH PERHUTANI. AT THAT TIME, GOI MOST INTERESTED IPC PARTICIPATION. ACCORDING TO YOHO, VERBAL AGREEMENT WAS TO BE CONFIRMED IN WRITING BY SUDJARWO. IPC WOULD THEN PROCEED WITH INITIAL INVESTIGATION, SURVEY OF CONCESSION AND FURTHER DISCUSSIONS WITH PERHUTANI. CONFIRMATION OF AGREEMENT NEVER RECEIVED BY YOHO. IPC'S LOCAL REPRESENTATIVE DANIEL INVERSO UNABLE TO OBTAIN REASON FOR DELAY OR PRESENT

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 152363

STATUS.

3. INVERSO HAS INFORMED YOHO THAT LOCAL CONTRACTORS PRESSURING GOI TO SPLIT UP CONCESSION. YOHO BELIEVES THESE COMPANIES WOULD EXPLOIT CONCESSION IN HAPHAZARD MANNER TAKING ONLY MOST ACCESIBLE TIMBER. THIS WOULD MAKE DEVELOPMENT OF INTEGRATED FORESTRY COMPLEX VIRTUALLY IMPOSSIBLE. YOHO CONCERNED THAT THIS PRESSURE AT HIGH LEVEL WILL EFFECTIVELY ELIMINATE IPC AS PARTNER. FYI IN DISCUSSIONS WITH FORESTRY OFFICIALS YOHO WAS TALKING DEVELOPMENT OF 200,000 HECTARES. ORIGINAL CONCESSION OF 700,000 HECTARES ALREADY DIVIDED AMONG SEVERAL GROUPS.

4. YOHO INDICATED IPC READY TO MOVE FORWARD WITH INITIAL SURVEY; STILL VITALLY INTERESTED IN PROJECT. YOHO NOTED IPC PREPARED TAKE FLEXIBLE APPROACH IN NEGOTIATIONS WITH GOI OFFICIALS.

5. EMBASSY REQUESTED TO INVESTIGATE MATTER, ATTEMPT DETERMINE PRESENT FEELING GOI OFFICIALS TOWARD IPC PARTICIPATION. IF IPC STILL IN RUNNING, YOHO CAN RETURN INDONESIA IMMEDIATELY FOR FURTHER TALKS. EMBASSY MAY WISH DISCUSS WITH INVERSO.  
ROGERS

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 AUG 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE152363  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730861/aaaabsxb.tel  
**Line Count:** 81  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 JAKARTA'S T-3861, T-3162  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 NOV 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23-Nov-2001 by shawdg>; APPROVED <26 FEB 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IPC DIFFICULTIES RE FORESTRY INVESTMENT OPPORTUNITY  
**TAGS:** BEXP, BFOL, ID  
**To:** JAKARTA  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005